GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:931
ANSWERED ON:24.11.2000
IRREGULARITIES IN NEW INDIA ASSURANCE COMPANY
SHAMSHER SINGH DULLO

Will the Minister of FINANCE be pleased to state:

(a) whether a number of complaints of currption, payment of fraudulent and fabricated claims, payment on forged cash memos / vouchers, withdrawal of cash from bank by cancellation of crossing on cheques etc. have been received against the officers and subordinate staff of Divisional Officer - 310900 of New India Assurance Company Limited during the last one year;

(b) if so, the details thereof and the action taken or proposed to be taken thereon against the erring officials;

(c) the system followed in the company in respect of cancellation of crossing on cheques issued by the company;

(d) the details of comparison between the claims paid by the Divisional office during the period 1998-99 and 1999-2000; and

(e) the reasons for the non-detection of fraud by the Internal Audit Department and other higher Offices?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b): Yes Sir. The company has received a complaint dated 12.10.2000 from the President, All India National General Insurance Employees` Association, Northern Zone.The company has advised the Vigilance Officer of Delhi Regional Office to investigate the matter and submit his report. The investigation is in progress. On receiving the report, necessary action will be initiated.

(c): Generally, it is not permitted to cancel the crossing on the cheques issued by the company unless it is signed by two authorised signatories.

(d): The details of comparison of claims are as under:

	1998-99		1999-2000	
Department	Number of claims	Amount (Rs.)	Number of claims	Amount (Rs.)
Fire	7	2450705	4	9137735
Marine	37	2962956	25	1302999
Motor OD	953	23689767	926	24788633
Motor TP	24	8000225	19	5070333
Misc.	211	4210802	186	6467324
Total	1232	41314455	1160	46767024

(e): Investigation has already been ordered to detect the alleged fraud and it is premature to ascertain the reasons for non-detection.